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From: Wayne Hedberg
To: Minerals
Date: 11/29/00 5:27PM
Subject: Geneva Steel - Iron Mtn. Property Transfer (M/021/008)

I received a telephone call this afternoon (11/29/00) from Dan Jensen, an attorney representing Geneva Steel. He called with questions regarding the Division's permit transfer process.

As part of the finalization of the ongoing Geneva Steel bankruptcy reorganization, the Iron Mountain properties will be split out and transferred to a new LLC. The closure of this transaction should take place sometime next week. Mr. Jensen asked questions regarding posting of a replacement surety and whether we had to give our approval before they could proceed with closure on this new corporate transfer. I told him Geneva Steel would remain on the hook until our formal transfer documents were accepted, and a new replacement surety was in place.

He asked if they could post the same amount of bond (\$1,070,000), or if we would need to reevaluate it. I said our current practice was if 3 years or more since last update, then we would probably re-escalate. Otherwise upon the 5-year renewal date. The bond was last escalated in 1998. He also asked if they could leave the existing Geneva bond in place and only have it amended to reflect the new LLC as operator. I said this might be possible, but appropriate language would likely need to be drafted to accommodate this and be reviewed by our counsel.

He said he will contact us again once the closure transactions are signed and in effect. He has a copy of our large mine permit transfer form already.

A COPY OF THIS MEMO WILL BE COPIED TO THE MINE FILE - M/021/008

CC: "MaryAnn_Wright@ut.blm.gov".MAIL.MNET; Kurt Seel; Lowell Braxton; Pam Grubaugh-Littig

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